

Message Text

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43

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 SPC-03 AID-20 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 H-03 PA-03 PRS-01 USIA-15 DRC-01

ABF-01 FS-01 /176 W

----- 085395

R 120955Z OCT 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 7450

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION USEC BRUSSELS

USMISSION OECD PARIS

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PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJ: TOKYO FOREX MARKET - OCT 8-12

1. DOLLAR IN SPOT MARKET STRENGTHENED FURTHER
THIS WEEK, WITH REPRESENTATIVE RATE ON FRIDAY AT
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Y266.40, UP Y0.20 FROM MONDAY. TRANSACTIONS DURING

THE FOUR DAY WEEK (WEDNESDAY HOLIDAY) WERE IN THE RANGE OF Y266.10 TO Y266.45 PER DOLLAR. VOLUME IN THE SPOT MARKET WAS HEAVIER THAN PREVIOUS WEEK, WITH DAILY HIGH REACHED ON TUESDAY OF \$142.4 MILLION. TOTAL WEEKLY VOLUME WAS APPROXIMATELY \$290 MILLION. BOJ OFFICIAL DESCRIBED SPOT MARKET AS CALMER TOWARDS END OF WEEK FOLLOWING WEDNESDAY HOLIDAY. IN ADDITION, RECENT WEAKNESS OF DOLLAR IN EUROPEAN MARKETS DAMPENED DEMAND FOR DOLLARS HERE DURING THURSDAY AND FRIDAY TRADING, THOUGH SPOT DOLLAR RATE REMAINED AT RECORD HIGH LEVEL FOR MOST RECENT SEVEN MONTH PERIOD. THIS FALL - OFF IN VOLUME FOLLOWED HEAVY SPOT TRADING MONDAY AND TUESDAY THIS WEEK (REF TOKYO 13087). TOTAL CENTRAL BANK INTERVENTION (DOLLAR SALES) AMOUNTED TO APPROXIMATELY \$100 MILLION DURING EACH OF FIRST TWO TRADING DAYS OF WEEK, WITH SALES OF APPROXIMATELY \$20 MILLION EACH ON THURSDAY AND FRIDAY.

2. FORWARD DOLLAR RATES STRENGTHENED EARLY IN WEEK, THEN WEAKENED SOMEWHAT BY FRIDAY'S CLOSE. THREE MONTH FORWARD (JAN DELIVERY) CLOSED ON OCT 12 AT Y266.85, DOWN Y0.05 FROM MONDAY'S CLOSE. SIX MONTH FORWARD (APRIL DELIVERY) CLOSED WEEK AT Y264.60, DOWN Y0.85 FROM MONDAY. END OF WEEK CLOSE FOR THREE MONTH FORWARD REPRESENTED PREMIUM OF 0.68 PERCENT WHILE THAT FOR SIX MONTH FORWARD REPRESENTED DISCOUNT OF 1.35 PERCENT. TOTAL VOLUME IN THE FORWARD MARKET WAS \$390.5 MILLION, UP SOMEWHAT FROM PREVIOUS WEEK. TOTAL VOLUME IN THE SWAP MARKET REGISTERED \$198 MILLION.

INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DOLLAR, FOREIGN EXCHANGE RATES, FOREIGN EXCHANGE DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 12 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: willialc
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1973/newtext/t19731035/aaaaazgg.tel
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Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Review Comment: n/a
Review Content Flags:
Review Date: 28 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28-Aug-2001 by boyleja>; APPROVED <26-Nov-2001 by willialc>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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